

AMENDED IN ASSEMBLY AUGUST 16, 1999

AMENDED IN ASSEMBLY JULY 8, 1999

AMENDED IN SENATE MAY 17, 1999

AMENDED IN SENATE APRIL 20, 1999

AMENDED IN SENATE APRIL 6, 1999

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**SENATE BILL**

**No. 932**

**Introduced by Senator Bowen  
(Coauthor: Senator Solis)**

February 25, 1999

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An act to add Sections 2889.7, 2889.10, and 2898 to the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 932, as amended, Bowen. Telecommunications.

(1) Under existing law, the Public Utilities Commission has regulatory authority with respect to telephone corporations. Existing law requires telephone corporations to provide specified customer and subscriber services, including information regarding the provider's identity, service options, pricing, and terms and conditions of service. Existing law requires the commission to impose that service information requirement on all—~~telecommunications providers~~ *telephone corporations* in the state. Under existing law, the commission may only permit a subscriber's local telephone service to be disconnected for nonpayment of charges relating to specified telephone services.

This bill would require a telephone corporation, *excluding a commercial mobile radio service, as defined*, that provides a new telephone service or feature to subscribers to mail a specified written notice to each subscriber of that new service or feature, within 3 business days of service activation. The bill would require the commission, prior to the offer by a telephone corporation of a new nonsubscription service or feature, to determine, and require the telephone corporation to provide, adequate notice to consumers. The bill, with certain exceptions, would authorize a subscriber, for services purchased by telephone, within 10 days from the date that the subscriber is mailed such a notice, to request the telephone corporation to suspend the provision of any telephone service or feature described in that notice, and would require the telephone corporation, upon receipt of such a request, to suspend the provision of the specified telephone service or feature. The bill would prohibit a telephone corporation from imposing any charge for the suspension of a telephone service or feature or for a telephone service or feature that a subscriber does not use and has rescinded. The bill, except as specified, would require a telephone corporation to reimburse a subscriber for any charge imposed by that corporation for the inadvertent use of a telephone service or feature, *but this does not apply to telephone calls*.

The bill would require an advertisement for a telecommunications service that includes specified references to disclose information on charges, as prescribed. The bill would require a ~~telecommunications—service provider~~ *telephone corporation* that provides local telephone service to provide that subscriber with a printed alphabetical telephone directory; *however, this may be waived, as prescribed*. The bill would prohibit a ~~telecommunications service—provider~~ *telephone corporation* from requiring a subscriber to deposit a sum of money with the telecommunications service provider prior to establishing an account and furnishing local telephone service that exceeds a specified amount unless the subscriber has a poor credit history, as determined by the commission.

The bill would only allow a ~~telecommunications—service provider~~ *telephone corporation* to disconnect the local

telephone service of a subscriber for nonpayment of local telephone service charges; would prohibit a telecommunications service provider from declining to provide service if the subscriber declines to provide his or her social security number, *but allows the collection of other identification and credit information by a commercial mobile radio service, as prescribed*; would require a ~~telecommunications service provider~~ telephone corporation to allow subscribers the ability to block access to nonessential services and to provide subscribers with information about Caller ID blocking options, as specified. The bill would require the commission to establish rules to require telephone corporations to provide the commission with reports of complaints made by subscribers regarding telephone service. The bill would provide that these described provisions apply to residential and ~~small commercial~~ subscribers, ~~as defined~~.

The bill would prohibit a telephone service provider from including in a residential subscriber contract a provision that prohibits the subscriber from pursuing a judicial remedy, as specified.

(2) The Telecommunications Customer Service Act of 1993 requires telephone corporations to provide specified customer services and information to telecommunications customers.

This bill would require the commission to develop and administer information on the Internet that offers to telephone service customers on-line access to information about local and long-distance telephone services offered by providers and other consumer information, as prescribed. The bill would prohibit the commission from implementing the above requirement until July 1, 2001, unless otherwise authorized by the Department of Information Technology pursuant to a specified executive order.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 2889.7 is added to the Public  
2 Utilities Code, to read:

1 2889.7. (a) A telephone corporation, *excluding a*  
2 *commercial mobile radio service*, that provides a new  
3 telephone service or feature shall mail to each subscriber  
4 of that service or feature within three business days of  
5 service activation a written notice describing the price,  
6 terms, and conditions of the service or feature.

7 (b) The commission, prior to the offer by a telephone  
8 corporation of a new nonsubscription service or feature,  
9 shall determine, and shall require the telephone  
10 corporation to provide, adequate notice to consumers.

11 (c) (1) Except as specified in paragraph (2), for  
12 services purchased by telephone, a subscriber, within 10  
13 days from the date that the subscriber is mailed the notice  
14 required pursuant to subdivision (a), may request the  
15 telephone corporation to suspend the provision of any  
16 telephone service or feature described in that notice. The  
17 telephone corporation, upon receipt of that request, shall  
18 suspend the provision of any telephone service or feature  
19 specified in the request. A telephone corporation may not  
20 impose any charge for the suspension of a telephone  
21 service or feature, or for a telephone service or feature  
22 that a subscriber does not use and has rescinded, pursuant  
23 to this section.

24 (2) This subdivision does not apply in either of the  
25 following circumstances:

26 (A) If a subscriber orders a change in service provider,  
27 or a change in service that requires a telephone  
28 corporation employee to perform work at the premises of  
29 the subscriber.

30 (B) If there is a contract between a telephone  
31 corporation and the subscriber.

32 (d) (1) Except as specified in paragraph (2), a  
33 telephone corporation shall reimburse a subscriber for  
34 any charge imposed by that corporation for the  
35 inadvertent use of a telephone service or feature. *This*  
36 *subdivision does not apply to telephone calls.*

37 (2) A subscriber shall be entitled to one bill  
38 adjustment, upon request, for the inadvertent or  
39 unauthorized use of a pay-per-use service or feature. If  
40 the subscriber does not order the telephone corporation

1 to suspend the provision of the subject telephone service  
2 or feature at the time of a requested bill adjustment, the  
3 telephone corporation is not obligated to adjust the bill of  
4 the subscriber for any inadvertent or unauthorized use  
5 thereafter of the telephone service or feature.

6 (e) An advertisement for a telecommunications  
7 service that refers to per-minute rates, free services, or  
8 services provided at no charge, shall disclose all  
9 underlying charges and restrictions, if any, that will apply  
10 if a customer uses that service. For the purpose of this  
11 subdivision, the term 'underlying charges' does not  
12 include any tax or surcharge mandated by local, state, or  
13 federal law.

14 (f) A ~~telecommunications service provider~~ *telephone*  
15 *corporation* that provides local telephone service to a  
16 subscriber shall provide that subscriber with a printed  
17 alphabetical telephone directory. *The subscriber may*  
18 *waive this requirement by a written declaration*  
19 *authorizing the telephone corporation to provide a*  
20 *nonprint alphabetical telephone directory.*

21 (g) A ~~telecommunications service provider~~ *telephone*  
22 *corporation* may not require a subscriber to deposit a sum  
23 of money with the telecommunications service provider  
24 prior to establishing an account and furnishing local  
25 telephone service that exceeds an amount equal to an  
26 average of two months' local telephone service bills  
27 unless the subscriber has a poor credit history, as  
28 determined by the commission. If the subscriber has a  
29 poor credit history, the subscriber shall have the option  
30 of submitting a deposit in an amount that equals not more  
31 than an average of two months of local telephone service  
32 charges if the subscriber accepts restricted toll service. If  
33 a subscriber elects to block access to toll service, the  
34 calculation of such a deposit shall reflect an average based  
35 on that exclusion of toll service costs.

36 (h) Notwithstanding any other provision of law, a  
37 ~~telecommunications service provider~~ *telephone*  
38 *corporation* may only disconnect the local telephone  
39 service of a subscriber for nonpayment of local telephone  
40 service charges. Any payment of a telephone bill shall first

1 be credited toward local telephone service charges.  
2 *Telephone corporations shall implement this*  
3 *requirement not later than July 1, 2000.*

4 (i) A ~~telecommunications service provider~~ *telephone*  
5 *corporation* may not decline to provide service if the  
6 subscriber declines to provide his or her social security  
7 number. A ~~telecommunications service provider~~  
8 *telephone corporation* may request the social security  
9 number of a subscriber only after disclosing to the  
10 subscriber that providing the social security number is  
11 optional and not required as a condition of receiving  
12 service. *Nothing in this subdivision prohibits a*  
13 *commercial mobile radio service from requesting data,*  
14 *other than a subscriber's social security number, to verify*  
15 *the identity of the subscriber and establish*  
16 *creditworthiness. If the commercial mobile radio service*  
17 *is unable to verify the identity or creditworthiness of a*  
18 *subscriber, the service may deny or limit service.*

19 (j) A ~~telecommunications service provider~~ *telephone*  
20 *corporation* offering local telephone service shall allow  
21 subscribers the ability to block access to nonessential  
22 services. This service shall be provided without charge  
23 the first time it is requested by the subscriber. *For*  
24 *purposes of this subdivision, nonessential services*  
25 *include, but are not limited to, toll service and custom*  
26 *calling services such as three-way calling and call return.*

27 (k) A ~~telecommunications service provider~~ *telephone*  
28 *corporation* shall provide subscribers with complete and  
29 neutral information about Caller ID blocking options, *as*  
30 *determined by the commission*, whenever those options  
31 are offered to the subscriber. This information shall also  
32 be included in the annual notice provided to customers  
33 pursuant to Section 786.

34 (l) The commission shall establish rules to require  
35 telephone corporations to provide the commission with  
36 reports of complaints made by subscribers regarding  
37 telephone service. The purpose of these reports is to  
38 provide the commission and the public with timely  
39 information regarding the extent and nature of consumer  
40 dissatisfaction.

(m) This section only applies to residential ~~and small commercial subscribers. For the purposes of this section, “small commercial subscribers” means commercial customers with not more than five access lines.~~  
*subscribers.*

(n) As used in this section, “commercial mobile radio service” has the same meaning as “commercial mobile service,” as defined in subsection (d) of Section 332 of Title 47 of the United States Code.

SEC. 2. Section 2889.10 is added to the Public Utilities Code, to read:

2889.10. No telephone ~~service provider corporation~~ may include in a residential subscriber contract any provision that prohibits the subscriber from pursuing a judicial remedy ~~in connection with the provision of services pursuant to that contract.~~ *in California, to the extent that the subscriber is permitted to pursue a judicial remedy.*

SEC. 3. Section 2898 is added to the Public Utilities Code, to read:

2898. (a) The commission shall develop and administer information on the Internet that offers to telephone service customers on-line access to information about local and long-distance telephone services offered by providers.

(b) The commission shall require telephone corporations, including, but not limited to, those telephone corporations with more than 50,000 subscribers in this state, and any other telephone corporations that wish to participate in the provision of information on the Internet, to submit information on residential telephone services in a standardized format. The commission shall adopt a standard initial format for the submission of information, and may thereafter alter the format and other submission requirements as the commission determines to be necessary to improve convenience and accuracy, or to meet the technical requirements of the Internet. Only certificated telephone corporations that offer telephone service to customers in this state may

1 participate in the provision of information on the  
2 Internet in accordance with this section.

3 (c) The commission shall maintain and make available  
4 on the Internet a list of certificated telephone  
5 corporations that operate in this state, whether or not  
6 those telephone corporations participate in the provision  
7 of information on the Internet in accordance with this  
8 section.

9 (d) The commission shall include on the Internet  
10 relevant information to alert the public about telephone  
11 corporations that may be attempting to provide local or  
12 long-distance service in the state in an unauthorized or  
13 fraudulent manner.

14 (e) The commission shall require certificated  
15 telephone corporations that participate in the provision  
16 of information on the Internet in accordance with this  
17 section to submit information that may include, but is not  
18 limited to, any of the following information:

19 (1) Prices for various service offerings.

20 (2) Estimated total prices for a variety of standard  
21 customer profiles.

22 (3) Peak and offpeak schedules and designated  
23 holidays.

24 (4) Rate schedules.

25 (5) Service conditions and contract terms.

26 (6) Phone numbers for customer service and  
27 complaints.

28 (7) Information on billing dispute and complaint  
29 resolution procedures.

30 (8) An Internet website address to access the  
31 telephone corporation's own Internet website.

32 (f) The commission shall develop a procedure to  
33 ensure that information on the Internet is updated by  
34 participating telephone corporations.

35 (g) The commission may include the Internet  
36 addresses of participating telephone corporations in  
37 hypertext markup language to facilitate direct access to  
38 information provided by each corporation on the  
39 Internet.





1 (h) The commission shall incur no liability for the  
2 content of information provided by a telephone  
3 corporation participating in the provision of information  
4 on the Internet pursuant to this section.

5 (i) The commission may initiate proceedings, issue  
6 orders, and adopt rules and procedures as it determines  
7 to be necessary to further the intent of this section.

8 (j) The commission may direct participating  
9 telephone corporations to modify, add, or delete  
10 information on, or for submission to, the Internet.

11 (k) The commission shall update the information on  
12 the Internet and make any necessary corrections on a  
13 quarterly basis. The date of the latest update made  
14 pursuant to this subdivision shall be displayed on the  
15 Internet.

16 (l) The commission may not implement this section  
17 until July 1, 2001, unless otherwise authorized by the  
18 Department of Information Technology pursuant to  
19 Executive Order D-3-99.

